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Win Hanverky Holdings Limited
永嘉集團控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 3322)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Unaudited		Change %
	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000	
Revenue	1,736,568	1,756,510	-1.1%
Gross profit	324,359	325,854	-0.5%
Gross profit margin	18.7%	18.6%	+0.1% pt
Operating loss	(28,238)	(62,015)	-54.5%
Loss for the period	(56,055)	(85,710)	-34.6%
Basic loss per share (HK cents)	(3.4)	(6.3)	-46.0%

OPERATIONAL HIGHLIGHTS

- Revenue decreased by 1.1% primarily due to the drop in revenue from Manufacturing Business, partially offset by the increase in revenue from High-end Fashion Retailing Business.
- Gross profit decreased by 0.5%; while gross profit margin remained stable at 18.7%.
- High-end Fashion Retailing Business recorded operating profit of HK\$6.9 million (30 June 2024: operating loss of HK\$52.2 million). This successful turnaround was primarily driven by (i) the introduction of franchise stores alongside direct operated stores for a rapidly growing brand in the second half of 2024, enhancing growth and profitability; and (ii) the decrease in selling and distribution costs mainly due to the non-recurrence of impairment loss of HK\$20.1 million incurred for certain retail store assets in the corresponding period of 2024.
- Above positive impact was partially offset by operating loss of HK\$17.6 million from Sportswear Manufacturing Business (30 June 2024: operating profit of HK\$1.4 million). Such operating loss was primarily due to raw materials issues at the Group's production facilities in Southeast Asia during the processing of certain key orders, resulting in higher-than-anticipated production and transportation costs.
- Consequently, operating loss reduced substantially to HK\$28.2 million.
- Overall, loss for the period was HK\$56.1 million which was significantly reduced as compared with the corresponding period of 2024.
- The financial and liquidity position remains healthy. As at 30 June 2025, cash and bank balances amounted to HK\$437.1 million (31 December 2024: HK\$250.3 million) and net gearing ratio was 7.1% (31 December 2024: 16.0%).
- The Board considers to conserve financial resources and does not recommend the payment of interim dividend in view of the challenges ahead. The Group will continue to monitor the market situation and review dividend payout from time to time.

The board of directors (the “**Board**” or “**Directors**”) of Win Hanverky Holdings Limited (the “**Company**”) presented the unaudited interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2025, together with the comparative amounts for the corresponding period of 2024, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	1,736,568	1,756,510
Cost of sales		<u>(1,412,209)</u>	<u>(1,430,656)</u>
Gross profit		324,359	325,854
Selling and distribution costs		(161,055)	(187,428)
General and administrative expenses		(188,033)	(203,944)
Other (expenses)/income — net	3	<u>(3,509)</u>	<u>3,503</u>
Operating loss		(28,238)	(62,015)
Finance costs — net	4	(18,535)	(22,227)
Share of (losses)/profits of associates		<u>(435)</u>	<u>558</u>
Loss before income tax		(47,208)	(83,684)
Income tax	5	<u>(8,847)</u>	<u>(2,026)</u>
Loss for the period		<u>(56,055)</u>	<u>(85,710)</u>
Loss for the period attributable to:			
Equity holders of the Company		(43,535)	(80,484)
Non-controlling interests		<u>(12,520)</u>	<u>(5,226)</u>
		<u>(56,055)</u>	<u>(85,710)</u>
Loss per share attributable to equity holders of the Company			
(basic and diluted, expressed in HK cents)	6	<u>(3.4)</u>	<u>(6.3)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss for the period	(56,055)	(85,710)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	22,259	(26,295)
Share of other comprehensive income of associates	(236)	1,681
Total comprehensive income for the period	<u>(34,032)</u>	<u>(110,324)</u>
Total comprehensive income for the period attributable to:		
Equity holders of the Company	(22,999)	(103,380)
Non-controlling interests	<u>(11,033)</u>	<u>(6,944)</u>
	<u>(34,032)</u>	<u>(110,324)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		Unaudited	Audited
		30 June	31 December
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		623,345	655,220
Intangible assets		196,913	198,328
Investments in associates		16,433	17,104
Other receivables and financial assets		54,513	52,005
Deferred tax assets		126,512	129,071
		1,017,716	1,051,728
Current assets			
Inventories		765,181	716,368
Trade and bills receivable	8	324,016	526,465
Other receivables and financial assets		155,243	150,788
Current tax recoverables		2,263	815
Pledged bank deposit		—	1,151
Cash and bank balances		437,136	250,321
		1,683,839	1,645,908
Current liabilities			
Trade payables	9	297,682	278,937
Accruals and other payables		325,589	321,279
Borrowings	10	529,981	464,985
Lease liabilities		82,836	94,891
Current tax liabilities		38,530	45,181
		1,274,618	1,205,273
Non-current liabilities			
Other payables		3,445	5,406
Lease liabilities		97,123	129,964
Deferred tax liabilities		15,242	11,834
		115,810	147,204
Net assets		1,311,127	1,345,159

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025

	Unaudited 30 June 2025 <i>HK\$'000</i>	Audited 31 December 2024 <i>HK\$'000</i>
Equity attributable to equity holders of the Company		
Share capital	128,440	128,440
Reserves	<u>1,203,056</u>	<u>1,226,055</u>
	1,331,496	1,354,495
Non-controlling interests	<u>(20,369)</u>	<u>(9,336)</u>
Total equity	<u><u>1,311,127</u></u>	<u><u>1,345,159</u></u>

NOTES:

1. BASIS OF PREPARATION

The condensed interim financial information included in this preliminary announcement of interim results for the six months ended 30 June 2025 does not constitute the Group's interim report but is derived from that interim report.

The condensed interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed interim financial information contains interim financial statements and selected explanatory notes. The condensed interim financial information does not include all of the notes of the type normally included in the annual financial report.

The HKICPA has issued a number of amendments to standards that became applicable for the current reporting period. None of the amendments to standards have had a material effect on the Group's result and financial position for the current and prior periods. The Group has not applied any new standards, amendments or interpretations that is not yet effective for the current accounting period.

Save as described above, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024. Accordingly, readers should read the interim results in conjunction with the annual financial statements for the year ended 31 December 2024, prepared in accordance with Hong Kong Financial Reporting Standards.

2. SEGMENT INFORMATION

The chief operating decision-maker has been identified collectively as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources and report segment performance based on internal reporting.

The executive directors review the performance of the Group mainly from a business operation perspective. The major business segments of the Group for the six months ended 30 June 2025 are Manufacturing and High-end Fashion Retailing.

- The Manufacturing segment represents manufacturing and sales of (i) sportswear and (ii) high-end functional outerwear primarily under original equipment manufacturing ("OEM") arrangements to customers mainly in Europe, the United States, Mainland China and other countries.
- The High-end Fashion Retailing segment represents retailing of high-end fashion products in Mainland China, Hong Kong, Macau and Taiwan.

The executive directors assess the performance of the business segments based on a measure of operating results of each segment, which excludes net finance costs in the result for each operating segment. Other information provided to the executive directors is measured in a manner consistent with that in the condensed interim financial information.

Disaggregation of revenue from contracts with customer by products or service lines is as follows:

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of goods	1,732,370	1,743,005
Provision of services	4,198	13,505
	<u>1,736,568</u>	<u>1,756,510</u>

2. SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2025 are as follows:

	Manufacturing			
	Sportswear	High-end Functional Outerwear	High-end Fashion Retailing	Total
	Manufacturing	Manufacturing		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment revenue	1,192,283	250,480	294,499	1,737,262
Inter-segment revenue	(694)	—	—	(694)
Revenue	1,191,589	250,480	294,499	1,736,568
Operating profit/(loss) and segment results	(17,629)	(17,468)	6,859	(28,238)
Finance costs — net				(18,535)
Share of losses of associates	(435)	—	—	(435)
Loss before income tax				(47,208)
Income tax				(8,847)
Loss for the period				(56,055)

Other segment items charged/(credited) to operating profit/(loss) for the six months ended 30 June 2025 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	33,496	6,622	28,263	68,381
Amortisation of intangible assets	—	1,065	350	1,415
Provision/(write-back of provision) for inventories, net	23,930	(141)	2,278	26,067
Write-back of provision for loss allowance of trade receivable, net	(167)	(236)	(2,540)	(2,943)
Loss/(gain) on disposal of property, plant and equipment, and lease modifications, net	578	5	(226)	357

2. SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2024 are as follows:

	Manufacturing			
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	High-end Fashion Retailing HK\$'000	Total HK\$'000
Total segment revenue	1,215,509	260,502	280,934	1,756,945
Inter-segment revenue	(398)	(37)	—	(435)
Revenue	<u>1,215,111</u>	<u>260,465</u>	<u>280,934</u>	<u>1,756,510</u>
Operating profit/(loss) and segment results	1,409	(11,270)	(52,154)	(62,015)
Finance costs — net				(22,227)
Share of profits of associates	558	—	—	558
Loss before income tax				(83,684)
Income tax				(2,026)
Loss for the period				<u>(85,710)</u>

Other segment items charged/(credited) to operating profit/(loss) for the six months ended 30 June 2024 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	37,872	6,095	39,293	83,260
Amortisation of intangible assets	—	1,065	349	1,414
Provision/(write-back of provision) for inventories, net	16,529	4,127	(12,764)	7,892
(Write-back of provision)/provision for loss allowance of trade receivables, net	(2,213)	957	1,946	690
Loss on disposal of property, plant and equipment, and lease modifications, net	—	7	—	7
Impairment loss of property, plant and equipment and leased assets, net	—	—	20,130	20,130

2. SEGMENT INFORMATION (CONTINUED)

Segment assets/liabilities exclude current tax recoverables/liabilities and deferred tax assets/liabilities which are unallocated and managed on a group basis. The segment assets and liabilities are as follows:

	Manufacturing				
	Sportswear	High-end	High-end	Unallocated	Total
	Manufacturing	Functional	Fashion		
	HK\$'000	Outerwear	Retailing	HK\$'000	HK\$'000
		Manufacturing			
		HK\$'000	HK\$'000		
At 30 June 2025					
Assets	<u>1,476,143</u>	<u>526,653</u>	<u>569,984</u>	<u>128,775</u>	<u>2,701,555</u>
Liabilities	<u>(740,525)</u>	<u>(329,745)</u>	<u>(266,386)</u>	<u>(53,772)</u>	<u>(1,390,428)</u>
At 31 December 2024					
Assets	<u>1,436,770</u>	<u>546,362</u>	<u>584,618</u>	<u>129,886</u>	<u>2,697,636</u>
Liabilities	<u>(722,854)</u>	<u>(275,259)</u>	<u>(297,349)</u>	<u>(57,015)</u>	<u>(1,352,477)</u>

The Group's revenue by geographical location is determined by the final destination of delivery of the products. The Group's revenue from external customers by geographical location is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Europe	650,657	688,353
Mainland China	455,456	484,360
Other Asian countries	241,054	222,083
United States	219,113	215,684
Hong Kong	49,693	54,858
Canada	13,821	9,082
Others	106,774	82,090
	<u>1,736,568</u>	<u>1,756,510</u>

2. SEGMENT INFORMATION (CONTINUED)

The total of non-current assets other than deferred tax assets by geographical location is as follows:

	As at	
	30 June	31 December
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	332,187	339,596
Mainland China	238,330	241,876
Vietnam	175,521	191,042
Cambodia	127,888	130,295
Others	17,278	19,848
	<u>891,204</u>	<u>922,657</u>

3. OTHER (EXPENSES)/INCOME — NET

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net exchange (loss)/gain	(5,520)	2,510
Government subsidies	636	1,095
Rental income	1,255	783
Loss on disposal of property, plant and equipment, and lease modifications, net	(357)	(7)
Others	477	(878)
	<u>(3,509)</u>	<u>3,503</u>

4. FINANCE COSTS — NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Finance income		
— Interest income from bank deposits	527	677
— Interest income from non-controlling interest of a subsidiary	236	295
	<u>763</u>	<u>972</u>
Finance cost		
— Interest on bank borrowings	(12,764)	(15,031)
— Interest on lease liabilities	(6,534)	(8,168)
	<u>(19,298)</u>	<u>(23,199)</u>
	<u>(18,535)</u>	<u>(22,227)</u>

5. INCOME TAX

The amounts of income tax expense/(credit) charged/(credited) to the consolidated income statement represent:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax	3,396	614
Deferred tax	<u>5,451</u>	<u>1,412</u>
	<u>8,847</u>	<u>2,026</u>

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. Mainland China corporate income tax and Hong Kong profits tax have been provided at the rates of 25% (2024: 25%) and 16.5% (2024: 16.5%) on the estimated assessable profits respectively. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss attributable to equity holders of the Company and on the weighted average number of ordinary shares of 1,284,400,000 shares (30 June 2024: 1,284,400,000 shares) in issue during the period.

The diluted loss per share for the six months ended 30 June 2025 and 2024 are the same as the basic loss per share as the potential dilutive ordinary shares arising from the outstanding share options granted by the Company do not have dilutive effect.

7. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

8. TRADE AND BILLS RECEIVABLE

	As at	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade receivables	331,370	538,755
Bills receivable	5,993	3,957
	<u>337,363</u>	<u>542,712</u>
Less: loss allowance of trade receivables	<u>(13,347)</u>	<u>(16,247)</u>
	<u><u>324,016</u></u>	<u><u>526,465</u></u>

Majority of the trade receivables are with customers having good credit history. The Group usually grants its customers credit terms within 90 days. Most of the Group's sales are on open account, while sales made to a small number of customers are covered by letters of credit issued by banks or settled by documents against payment issued by banks. The ageing of trade and bills receivable based on invoice date is as follows:

	As at	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0–90 days	317,446	516,824
91–180 days	8,225	11,172
181–365 days	3,405	3,870
Over 365 days	8,287	10,846
	<u>337,363</u>	<u>542,712</u>

9. TRADE PAYABLES

The ageing of the trade payables based on invoice date is as follows:

	As at	
	30 June 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
0–90 days	290,036	255,461
91–180 days	3,701	19,729
181–365 days	1,373	998
Over 365 days	2,572	2,749
	<u>297,682</u>	<u>278,937</u>

10. BORROWINGS

The Group's borrowings are carried at amortised costs and the interest-bearing bank borrowings are repayable within one year or on demand.

As at 30 June 2025, based on the agreed payment schedules set out in the loan agreement ignoring the effect of any repayment on demand clause, the interest-bearing bank borrowings were due for repayment as follows:

	As at	
	30 June 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
Within 1 year	461,981	394,485
After 1 year but within 2 years	5,000	5,000
After 2 years but within 5 years	15,000	15,000
After 5 years	48,000	50,500
	<u>529,981</u>	<u>464,985</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated manufacturer and retailer for internationally renowned sports, fashion and outdoor brands. The financial performance of the Group for the six months ended 30 June 2025 is summarised below:

OVERALL REVIEW

Revenue of the Group amounted to HK\$1,736.6 million (30 June 2024: HK\$1,756.5 million), representing a decrease of 1.1%. The decrease was primarily due to the drop in revenue from Manufacturing Business, partially offset by the increase in revenue from High-end Fashion Retailing Business.

Gross profit of the Group decreased by HK\$1.5 million or 0.5%, to HK\$324.4 million (30 June 2024: HK\$325.9 million); while gross profit margin remained stable at 18.7% (30 June 2024: 18.6%).

High-end Fashion Retailing Business recorded operating profit of HK\$6.9 million, an improvement of HK\$59.1 million from operating loss of HK\$52.2 million for the corresponding period of 2024. This successful turnaround was primarily driven by (i) the introduction of franchise stores alongside direct operated stores for a rapidly growing brand in the second half of 2024, enhancing growth and profitability; and (ii) the decrease in selling and distribution costs mainly due to the non-recurrence of impairment loss of HK\$20.1 million incurred for certain retail store assets in the corresponding period of 2024.

Above positive impact was partially offset by operating loss of HK\$17.6 million from Sportswear Manufacturing Business (30 June 2024: operating profit of HK\$1.4 million). Such operating loss was primarily due to raw materials issues at the Group's production facilities in Southeast Asia during the processing of certain key orders, resulting in higher-than-anticipated production and transportation costs.

Consequently, though operating result still recorded a loss of HK\$28.2 million, it was substantially reduced as compared to operating loss of HK\$62.0 million for the corresponding period of 2024.

Overall, the Group still recorded loss after taxation of HK\$56.1 million for the six months ended 30 June 2025, but it was significantly reduced as compared with loss after taxation of HK\$85.7 million for the corresponding period of 2024.

The Board considers to conserve financial resources and does not recommend the payment of interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil) in view of the challenges ahead. We will continue to monitor the market situation and review our dividend payout from time to time.

BUSINESS REVIEW

In the first half of 2025, the operating environment remained complex and challenging. The Group has experienced a range of economic and industrial specific challenges.

The financial performance of the business segments is summarised below:

Manufacturing Business

Our Manufacturing Business comprises “*Sportswear Manufacturing Business*” and “*High-end Functional Outerwear Manufacturing Business*”.

Sportswear Manufacturing Business

The Group’s Sportswear Manufacturing Business operates mainly through its OEM arrangements for a number of internationally renowned brands. Most of the Group’s products are exported and sold to Europe, the United States and Mainland China. The Group has a long history and a distinctive position in sportswear garment manufacturing and has established long-term business relationships with its key customers.

Revenue from Sportswear Manufacturing Business decreased by HK\$23.5 million to HK\$1,191.6 million (30 June 2024: HK\$1,215.1 million), representing a decline of 1.9%. During the current period, the Group’s production facilities in Southeast Asia encountered raw materials issues during the processing of certain key orders, which led to higher-than-anticipated production and transportation costs. Consequently, the business recorded operating loss of HK\$17.6 million (30 June 2024: operating profit of HK\$1.4 million).

High-end Functional Outerwear Manufacturing Business

Revenue from High-end Functional Outerwear Manufacturing Business decreased by HK\$10.0 million to HK\$250.5 million (30 June 2024: HK\$260.5 million), representing a decrease of 3.8%. During the current period, the Group underwent a strategic adjustment, reducing reliance on outsourced garment manufacturers while gradually increasing in-house production capacity. This transition, aiming at better control of product quality and enhancing long-term operational efficiency, contributed to a temporary decline in revenue. Consequently, operating loss of HK\$17.5 million was recorded (30 June 2024: operating loss of HK\$11.3 million) before the business entering into traditional peak season in the second half of the year.

High-end Fashion Retailing Business

The Group's High-end Fashion Retailing Business had fashion retail networks through "**D-mop**" and "**J-01**" stores to sell self-owned brands, as well as imported brands, in Hong Kong and Mainland China. In addition, it had distribution rights for brands including "**Y-3**" in Mainland China, Hong Kong, Macau and Taiwan, and "**Barbour**" in Mainland China and Hong Kong. It also operated licensed stores for brands "**DAKS**" in Mainland China and "**New Era**" in Hong Kong.

Revenue from High-end Fashion Retailing Business increased by HK\$13.6 million to HK\$294.5 million (30 June 2024: HK\$280.9 million), representing an increase of 4.8%. In the second half of 2024, the Group introduced franchise stores alongside direct operated stores for a rapidly growing brand, marking a strategic shift in High-end Fashion Retailing Business. This initiative strengthened the growth and profitability of selected brands with established market presence. In addition, selling and distribution costs decreased which was mainly due to the non-recurrence of impairment loss of HK\$20.1 million incurred for certain retail store assets in the corresponding period of 2024. Consequently, the business achieved a significant turnaround, recording operating profit of HK\$6.9 million (30 June 2024: operating loss of HK\$52.2 million).

As at 30 June 2025, the total number of direct operated stores decreased to 95 (30 June 2024: 110), of which 72 (30 June 2024: 83) stores were in Mainland China, 14 (30 June 2024: 17) stores were in Hong Kong and Macau, and 9 (30 June 2024: 10) stores in Taiwan and other regions.

PROSPECTS

The Group continued to face multiple challenges in the first half of 2025, including economic and industrial specific challenges. We expect the economic and political landscape in the second half of 2025 will remain complicated and unpredictable. The outlook for our diverse portfolio of businesses is as varied as the contingencies ahead.

Nevertheless, the Group will continue to remain agile and prudent in managing its operations against the backdrop of the dynamic environment.

Manufacturing Business

Sportswear Manufacturing Business

As driven by the upward trend of demand for innovative sportswear products, the Group encounters increased production complexities, leading to operational challenges. Nonetheless, the Group remains dedicated to fostering agility and resilience to sustain long-term competitiveness.

Sportswear products are expected to remain fundamentally attractive as the high awareness for health and fitness, coupled with the elevated sports participation rates in the world will sustain and leading to a stable outlook for Sportswear Manufacturing Business. As for the driver of our long-term growth, we remain dedicated to identifying new clientele and expanding our customer base. By broadening our customer portfolio, we aim to enhance our leading market position and secure sustainable long-term growth.

High-end Functional Outerwear Manufacturing Business

Although the Group implemented a strategic shift in the first half of 2025 to reduce reliance on outsourced garment manufacturers which caused a temporary decrease in revenue, it did not change the long-term competitive advantage of High-end Functional Outerwear Manufacturing Business. It has continued to make good progress in the Mainland China and overseas markets as it has successfully established a strong strategic partnership with a comprehensive sportswear conglomerate. Leverage with this strategic partnership, it is anticipated that the business momentum will be carried forward alongside the traditional peak season into the second half of the year.

High-end Fashion Retailing Business

In the first half of 2025, consumers in Mainland China and Hong Kong remained cautious about spending, particularly on discretionary items, as the high-end fashion retail market faced challenges from evolving consumption patterns.

As such, the path to recovery is expected to be prolonged and uneven, marked by diminishing momentum and a cautious market outlook. In response, the Group introduced franchise stores, in addition to direct operated stores, for a rapidly growing brand in the second half of 2024. This marked a pivotal strategic shift for High-end Fashion Retailing Business, enabling it to bolster business growth and profitability of selected brands with established market presence, indicating a promising direction for the business.

By carrying this direct operated plus franchise model into the second half of 2025, the brand can capitalise on its existing reputation while expanding its footprint and driving revenue growth through a network of partner-operated retail stores. This approach not only diversifies risks but also fosters growth and adaptability to local markets.

Despite achieving a significant turnaround in the first half of 2025, it is imperative to continue implementing strict cost controls and closing down non-profitable stores across the regions.

FINANCIAL POSITION AND LIQUIDITY

In view of the challenges and uncertainties ahead, the Group will continue to proactively monitor the situation and impose strict cost control measures and focus on its cash flow management to ensure that it remains a healthy liquidity position.

Against the backdrop of the challenging environment, the Group's financial and liquidity position remains healthy. As at 30 June 2025, the Group had cash and bank balances of HK\$437.1 million (31 December 2024: HK\$250.3 million) and net borrowings (bank borrowings less cash and bank balances) of HK\$92.8 million (31 December 2024: HK\$214.7 million), together with available undrawn banking facilities of HK\$728.2 million (31 December 2024: HK\$713.9 million). The net change was mainly attributable to the cash generated from operating activities, net with repayment of bank borrowings. The net gearing ratio (being net borrowings divided by total equity) as at 30 June 2025 was 7.1% (31 December 2024: 16.0%).

The Group expects that there will be steady cash inflow from operations coupled with sufficient cash and bank balances and based on its readily available banking facilities, the Group has adequate liquidity and financial resources to cover its operating costs and meet its financial obligations as and when they fall due in the coming twelve months from the date of this interim results announcement.

FOREIGN CURRENCY EXPOSURE

Hong Kong Dollar (“**HKD**”) serves as the Company's functional currency and the Group's presentation currency. The Group considers its foreign currency exchange exposure arising from United States Dollar (“**USD**”) transactions and USD cash balances to be minimal during the period given that HKD was pegged against USD.

The Group's revenue and purchases were primarily denominated in USD, Renminbi (“**RMB**”) and HKD. During the period, approximately 70.7%, 25.3% and 2.9% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 79.1%, 17.5% and 1.9% of purchases were denominated in USD, RMB and HKD respectively.

As at 30 June 2025, approximately 54.6%, 37.5% and 6.3% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 45.7%, 41.9% and 12.4% of bank borrowings were denominated in HKD, USD and RMB respectively.

To minimise the impact of foreign currency rate volatility, we monitor foreign currency risk closely on an ongoing basis to ensure that the net exposure is at an acceptable level. If necessary, after consideration of the Group's future operation and investment needs in different currencies, we may use proper financial instruments to reduce the currency risk exposure.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 17,000 employees (31 December 2024: approximately 17,000 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include retirement benefits, insurance, medical coverage and share option schemes.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2025, the Group had no pledged bank deposit (31 December 2024: HK\$1.2 million pledged as security deposit at Customs Department for a subsidiary of the Group); and land and properties with an aggregate carrying amount of HK\$80.5 million (31 December 2024: HK\$82.0 million) were pledged to banks for certain banking facilities of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities, litigation or arbitration of material importance as at 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). All Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules) during the six months ended 30 June 2025. As at 30 June 2025, the Company and its subsidiaries did not hold any treasury shares.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has discussed with the management of the Company the financial reporting matters related to the preparation of the unaudited condensed interim financial information for the six months ended 30 June 2025. It has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2025 with the management and the auditor of the Company and recommended them to the Board for approval.

The Company's auditor, PricewaterhouseCoopers, has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.winhanverky.com>). The interim report for the six months ended 30 June 2025 will be dispatched to the shareholders and will be available on the aforesaid websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. LI Kwok Tung Roy, Mr. LAI Ching Ping, Mr. LEE Kwok Leung and Mr. WONG Chi Keung being the executive directors, and Mr. KWAN Kai Cheong, Mr. MA Ka Chun and Ms. CHAN Kit Fun Fanny being the independent non-executive directors.

By Order of the Board
Win Hanverky Holdings Limited
LI Kwok Tung Roy
Chairman

Hong Kong, 21 August 2025